

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Nakano, et al. Analyst: Kristina E. North Bill Number: AB 658  
Related Bills: See Prior Analysis Telephone: 845-6978 Amended Date: March 24, 2004  
Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** California Prostate Cancer Research Fund

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

☒ DEPARTMENT POSITION CHANGED TO SUPPORT.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED AUGUST 27, 2003, STILL APPLIES.

☒ OTHER - See comments below.

## SUMMARY

This bill would establish the California Prostate Cancer Research Fund allowing taxpayers to designate contributions on their individual income tax return.

## SUMMARY OF AMENDMENTS

The March 24, 2004, amendments changed the number of years the fund could remain on the return to ten years, which creates a new policy consideration. The amendments also added legislative intent language that would not impact the department.

The March 24, 2004, amendments also named the entity to which the voluntary contribution designation amounts would be allocated, which resolved one of the technical considerations in the department's analysis of the August 27, 2003, amendments. The remaining technical consideration still applies. The remainder of the department's analysis of the bill as amended August 27, 2003, still applies.

## POSITION

Pending. The Board has not had the opportunity to review the amendment that would increase the amount of time this fund would remain on the return, the position has changed to "Pending."

On February 25, 2004, the Franchise Tax Board voted 2-0 to support this bill, as amended August 27, 2003, with the representative from Department of Finance abstaining.

### Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

### Legislative Director

### Date

Brian Putler

4/5/04

## **POLICY CONSIDERATION**

This bill would allow the voluntary contribution to remain on the state income tax return for ten years. Voluntary contribution funds are generally allowed to remain on the return for five years from the date the fund first appears on the return. A particular fund may seek an extension of time on the return via the legislative process.

## **ECONOMIC IMPACT**

### Revenue Estimate

Assuming that the minimum level of contributions (\$250,000) is achieved each year this fund is on the return, that the fund is placed on the 2004 income tax return filed in 2005, and that an itemized deduction is claimed for each contribution, potential revenue losses would be minor. The revenue loss would be on the order of \$15,000 annually beginning with the taxable year the itemized deduction is claimed on the tax return and would continue for ten years. The loss would be attributable to itemized deductions claimed for the contributions in the taxable year following the contributions.

## **LEGISLATIVE STAFF CONTACT**

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